



M E D I A R E L E A S E

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE
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TDCI APPROVES WORKERS' COMP FILING

NO INCREASE IN LOSS COST ANTICIPATED FOR JULY 2005

Nashville, TN.- Tennessee Commerce and Insurance Commissioner Paula A. Flowers has approved an average 3.9% loss cost increase for workers' compensation insurance, to be effective July 1, 2005.

This loss cost is based on loss cost filings made by NCCI based on claims experiences through 2003.

"Due to the anticipated savings from the medical fee schedule that will also be implemented in July, we anticipate no overall increase in loss cost", said Paula Flowers, Commissioner for the Department of Commerce and Insurance for the State of Tennessee. "This is good news for Tennessee employers and workers."

Under Tennessee law (TCA 50-6-402), the Commissioner of Commerce and Insurance must either approve, disapprove, or modify the filing of a workers' compensation loss cost filing within 90 days of the filing, after consulting with the Advisory Council.

Loss cost is the major element in the premium calculation for each individual employer, but not the only one. Individual employers' premium rates are affected by the insurance company's business cost, the employer's own loss experience, and other factors that can either reduce or increase the premium level. As a result, a lower loss cost will not necessarily translate into a premium decrease that is the same for everyone.

NCCI, National Council on Compensation Insurance, is based in Boca Raton, FL, and is the designated insurance rate service organization which makes annual recommendations for base premium rates based on cost information and projections provided by worker's compensation insurance companies.

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